

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE MEETING OF THE EXECUTIVE – 25 JANUARY 2011

SUBMITTED TO THE COUNCIL MEETING – 15 FEBRUARY 2011

(To be read in conjunction with the Agenda for the Meeting)

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| * Cllr Robert Knowles (Chairman) | * Cllr Stephen O'Grady |
| * Cllr Mike Band (Vice-Chairman) | * Cllr Stefan Reynolds |
| * Cllr Mrs Carole King | * Cllr Roger Steel |
| * Cllr Bryn Morgan | Cllr Adam Taylor-Smith |
| * Cllr David Munro | * Cllr Keith Webster |

* Present

Cllr Peter Isherwood was also in attendance

132. MINUTES (Agenda Item 2)

The Minutes of the Meeting of the Executive held on 7 December 2010 (postponed from 30 November 2010) and of the Special Meeting held on 7 December 2010 were confirmed and signed.

133. APOLOGIES FOR ABSENCE (Agenda Item 3)

An apology for absence was received from Cllr Adam Taylor-Smith.

134. DISCLOSURE OF INTERESTS (Agenda Item 4)

Cllr David Munro declared a personal interest in Agenda Item 8 relating to the Community Partnership Fund as a Trustee of 40 Degreez. Cllr Stephen O'Grady declared a personal and prejudicial interest in the same agenda item as a representative on the Rural Life Centre and 3 Counties Money Advice. As the applications were not discussed individually, there was no need for Cllr O'Grady to leave the Chamber during consideration of the item.

PART I - RECOMMENDATIONS TO THE COUNCIL

135. FINANCIAL STRATEGY 2011/2012 – 20114/2015 AND COUNCIL TAX SETTING (Agenda Item 7; Appendix B)

The reports from the Executive in respect of the 2011/2012 budget are set out at Appendix A to the Council agenda incorporating:-

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| Appendix A.1 | Budget Monitoring |
| Appendix A.2 | General Fund Revenue Estimates 2011/2012 |
| Appendix A.3 | General Fund Capital Programme 2011/2012 |
| Appendix A.4 | Housing Revenue Account Revenue Estimates 2011/2012 |

- Appendix A.5 Housing Revenue Account and Social Housing Grant
Capital Programme 2011/2012
- Appendix A.6 Council Tax Setting 2011/2012

These reports will be dealt with under Agenda Item 9 of the Council agenda.

136. WAVERLEY COMMUNITY PARTNERSHIP – APPLICATIONS FOR REVENUE FUNDING (Agenda Item 8; Appendix C)

- 136.1 The principal aim of the Waverley Community Partnership is to 'provide financial support for the on-going revenue costs of voluntary and charitable organisations that are delivering high priority services for the benefit of Waverley residents in partnership with the Council'.
- 136.2 A total of 31 applications to the Waverley Community Partnership have been received, with 5 from new applicants. The total level of funding requested by the organisations for 2011/12 is £710,568 and Annexe 1 details all the applications received and the level of grants requested.
- 136.3 Each application has been assessed against the Waverley Community Partnership grant eligibility and criteria by the relevant 'link officer' within each service area. In addition, a financial assessment of each organisation's annual accounts has been undertaken to identify any changes/concerns in the financial position of partner organisations. Link officers assessed partner organisations against criteria, gave each application a score and recommended the level of grant that should be awarded.
- 136.4 Officers worked with the Portfolio Holder for Partnerships, supported by the Portfolio Holders for Leisure and Youth, and leading Members to discuss initial proposed grant levels and made proposals on levels of funding ahead of the Overview & Scrutiny consideration. This exercise followed the Executive's direction that the overall grants budget would be reduced by 10% this year. Despite the challenge that this presented, every effort was made to keep within the budget when making proposals and the following was also taken into account:
- Previous and current financial support provided to organisations by the Council
 - The degree of priority of services that organisations provide
 - The information provided in the evaluation summary and financial appraisal for each organisation
- 136.5 To assist organisations with their financial planning and in the spirit of the Surrey Partnership Compact, a letter was sent to all applicants informing them of their provisional grant allocations in early January. The letter made it clear to organisations that the proposed allocations were subject to Member scrutiny and final approval by the Council on 15 February 2011.

- 136.6 At its meeting in June 2009, the Community Overview and Scrutiny Committee agreed to undertake an in-depth review of the Council's approach to working with and funding the voluntary sector. At its meeting on 13 September 2010 Community O&S agreed that the Task and Finish Group might be well placed to review the proposed community themed grant allocations for 2011/12 on behalf of the O&S Committee. They also agreed to the appointment of a Godalming member to ensure a spread of geographical coverage. The Task Group met on 8 December to review and make comments on the proposed grant allocations and consider the outcomes of the grant round as a whole, and its suitability for supporting the voluntary sector.
- 136.7 The Council had agreed the principle of three-year intention-to-fund agreements for larger partner organisations with approved grants of £10,000 and above. The current agreement provided one year approved funding for 2008/09 with two further years intention-to-fund for 2009/10 and 2010/11, dependent on sufficient budget being available and subject to an annual appraisal of the organisation's performance and an update of its financial status. In 2010/11 10 partner organisations received a grant of over £10,000. Current grants for 2010/11 are the final year of the three-year intention-to-fund agreements. It is proposed to continue with these arrangements for those organisations with approved grants of £10,000 and above.
- 136.8 Once a revenue grant is approved and a grant offer made, a partnership agreement is prepared between each organisation and the relevant Waverley service officer, who forms the key link officer during the funding period. The partnership agreement details the key outputs and achievements for the year and is signed by both parties. The partnership agreement enables service officers to monitor each organisation's performance against stated outcomes.
- 136.9 The Community Overview and Scrutiny Committee considered the report at its meeting on 17 January 2011 and made the following observations:-

Day Centres

The Community Performance Sub-Committee had significant discussion at their meeting and identified that, although there was a proposal to reduce each of the Day Centre's grant by 4% compared to their current grant, each Day Centre was quite different in the financial support they received with regard to rent-free accommodation, rate relief, etc.

Rowleys should not receive a cut compared to this year's allocation. Rowleys had sustained a loss of £12,965 in the last financial year – partly due to enforced closure during Rowland House demolition – and only had £2,454 of allocated reserves. Thus any cut could result in closure of severely reduced services.

Farncombe had sustained a loss of £6,944, paid staff were fully stretched and trustees and volunteers were difficult to attract. However, the Centre had not come up with any measures to improve the situation. The Sub-Committee had supported the proposed 4% cut.

Haslemere had made good efforts during 2010 to improve the Centre. However, 50% of Waverley's grant was paid to Haslewey for rent for the building. The Committee noted that the Centre had a surplus in the last financial year of £7,030. The Sub-Committee had proposed no cut to the grant.

Brightwells had recorded a loss of £6,944 and noted that the Centre had 6 x full-time equivalent staff, which could be reduced and their roles taken over by volunteers. The Sub-Committee proposed a cut of 6%.

Clockhouse was the biggest of the Day Centres in terms of turnover with total reserves in access of £250,000. Losses had been recorded for the year ending September 2009 at £17,287 and the Centre had taken measures to address this by saving £20,000 a year by the redundancy of a full-time member of staff. The Sub-Committee proposed a cut of 10%.

In budget terms, these proposals equated to the proposed blanket cuts of 4% for each Day Centre. Following discussion, members voted against a proposal to revert to the 4% cut for each Centre and voted to concur with the observations from the Sub-Committee and recommend the following percentage differences compared to the current grant:

i.	Rowleys (Age Concern Waverley)	0%
ii.	Age Concern Farncombe	-4%
iii.	Age Concern, Haslemere & District	0%
iv.	Brightwells Gostrey Centre	-6%
v.	The Clockhouse (Milford & Villages)	-10%

[Cllr Gillian Beel wished to record her vote against a 6% cut for the Brightwells Gostrey Centre]

Citizens Advice Waverley

The Committee concurred with the observations from the Performance Sub-Committee who had recorded significant concerns about the proposed cut to Citizens Advice Waverley. In the current economic climate, members considered it would be disastrous to cut this grant, as it would almost certainly lead to major cuts in the service. Members considered that it was essential that vulnerable people in the borough should be protected and that it was inappropriate at this time to make a cut to the grant allocation for Citizens Advice Waverley.

The Committee therefore agreed to propose to the Executive that no cut should be made to the grant allocation for Citizens Advice Waverley and that the budget saving be made from the proposed grants to Arts and Culture organisations (ELOS) which would not impact on disadvantaged residents.

Cranfold Job Seekers Club / 3-Counties Money Advice

The Committee noted the proposal to cut the grants requested for these two organisations. The Committee concurred with the observations of the Performance Sub-Committee that it was important for small organisations that benefited the community not to be discouraged from applying for grants in future years if they had been declined this year. The Sub-Committee had

proposed that these two organisations be awarded a grant of £200 each. The Committee proposed that this amount be awarded to 3-Counties Money Advice only.

St Marks Church and Community Centre (Community Development Worker)

The Committee recognised the importance of the work undertaken by the Community Development Worker for St Marks Church and Community Centre. Members referred to the recommendation from the Task Group of the Community Overview & Scrutiny's review of Support for the Voluntary Sector and agreed that they wished to propose to the Executive that a grant of £3,200 be awarded for the Community Development Worker at St Marks.

136.10 The Environment and Leisure Overview and Scrutiny Committee made the following observations at its meeting on 18 January 2011:-

1. The Committee noted that it was a difficult financial climate, difficult decisions had to be made and thanked officers for ensuring that due notice was given to organisations about the potential for such cuts.
2. The Committee did not want the budget to be further reduced and that under its remit, any increase to funding in one area should be met from a reduction in another.
3. The Committee voted and agreed that the Executive should consider a reduction in the Farnham Maltings grant by 17% rather than 10% thus bringing it in line with the grant reduction indicated for Cranleigh Arts Centre.
4. The Committee noted that the resulting monies made available by the recommendation to reduce the Farnham Maltings grant were not redistributed to the remaining ELOS grant subjects.

136.11 The Executive considered the Waverley Community Partnership applications for 2011/12 and the comments made by the Overview and Scrutiny Committees. The Executive considered revised allocations for a number of the community-themed organisations, which took account of the additional funding recommended as part of the budget proposals. The new recommended allocations were set out in the revised Annexe 1 which was tabled at the meeting showing amended grant allocations to the Day Centres, Citizens Advice Waverley, St Marks Community Centre and 3 Counties Money Advice within the Community Grants schedule. The Executive

RECOMMENDS that

- 40. grants be awarded as set out in Annexe 1;**
- 41. the level of Waverley's contribution to the Waverley Voluntary Grants Partnership in 2011/12 should be £48,600; and**
- 42. an overall detailed review of all Waverley grants be undertaken immediately in preparation for the 2012/13 budget.**

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

137. ANNUAL INVESTMENT STRATEGY 2011/2012 (Agenda Item 10; Appendix E)

137.1 Waverley has adopted the Chartered Institute of Public Finance and Accounting's (CIPFA's) Code of Practice on Treasury Management in the Public Services. The Policy provides for an annual review to be undertaken and reported to the Executive. Waverley had £24 million invested at 31st March 2010. The Prudential Code for Capital Finance in Local Authorities requires that the annual investment strategy includes a set of specific prudential indicators.

137.2 Waverley's policy and practice is to put security of investment at a higher priority than rate of return/yield. The Executive approved revisions to the policy in February 2010 to ensure continued security of investment. Waverley's day-to-day practice continues to be refined, within the boundaries of the approved policy, in response to challenging market conditions. The cornerstones of current policy/practice are:

- to restrict lending to only those institutions which fit the Council's policy in terms of financial standing, credit ratings etc;
- generally to restrict lending to the short-term (typically 3 to 6 months or less) or to cover precept dates for the remainder of the year, except where the Deputy Chief Executive or Head of Finance agree to an investment over a longer period if interest rates are favourable, and within Waverley's criteria,
- to fix financial limits to each institution depending the quality of their financial ratings.

137.3 The tightening restrictions operated by Waverley do inevitably have a negative impact on the rates of return achievable, but are necessary to maintain sufficient security on investment. Currently the lack of financial institutions which meet Waverley's counterparty criteria is the most significant factor in day-to-day Treasury Management. To date Waverley has not invested with the Debt Management Office (DMO, part of the Government's Public Works Loans Board) where rates are significantly below market rates and generally less than base rate. It estimated that based on current rates by opting for market investments rather than investing with the DMO, the Council will double the amount of interest income for the Council.

137.4 The proposed boundaries set out in paragraph 137.7 below have not changed from those previously approved. In practice, the continuing market conditions have meant that controls have been tightened further, within the bounds of the approved policy, to create as much security as possible for Waverley's investment portfolio. These measures include:

- The major objective of managing daily cash balances to meet cash flow commitments remains the priority;
- Short term lending, generally targeted at 3 to 6 month rates, is judged to generate the best balance of return to risk and most of Waverley's investment will fall into this category; although any opportunities in the yield curve with longer term investments may be taken (see 3 above).
- Investments are also monitored on a sector basis and judgments made as to the appropriate level within each sector;
- General Market information is also used to enable some targeting of investment partners and the objective views of the credit agencies still have a value and are monitored more regularly.
- Close monitoring of credit ratings at the point of transaction including consideration of the 'future outlook' assessment.
- Increased frequency of updating the list of preferred organisations for investment with reduced working maximum limits for lower ranked non-rated building societies

137.5 The Investment Strategy is linked to decisions on borrowing and, when the need arises to borrow to fund the leisure strategy capital spend in 2011, the Deputy Chief Executive will consider a range of factors including the current investment levels and returns, available reserves, appropriate borrowing periods and the most beneficial repayment method.

137.6 Current Council policy allows for the employment of treasury advisors on a self-financing basis. However, Waverley continues to have a relatively consistent and predictable cash flow year-on-year and officers regularly monitor this and other factors including the credit ratings of investment organisations and the return on investments. Officers are satisfied that managing Waverley's short-term investments in-house is still appropriate but will keep the option of treasury advice open, particularly for any borrowing transactions necessary for the leisure capital investment. Waverley has become a member of CIPFA's Treasury Management Group and the newly formed Surrey Treasury Management Forum in the past year.

137.7 The capital finance regulations require the Council to determine a number of limits and guidelines for its investment activity including 'specified' and 'non-specified' investments. Specified investments are held in sterling with a maturity, generally, of no more than a year and must be with the UK Government, UK local authorities or "high" credit rated institutions. Non-specified investments are any investments that do not meet the above criteria.

137.8 To meet the requirements of the Regulations it is proposed that the following policy and limits apply to all of Waverley's investment activity in 2011-12:

- UK Local Authorities and the UK Government
- "High" credit rated means AAA rating for sterling money market funds or A and above rating for any banks and building societies
- Waverley will not make any non-specified investments
- £5million is the maximum investment in any single specified organisation at any one time.

- Credit ratings will be monitored continuously using either Moody's, Standard and Poor's or Fitch ratings
- Every investment will have a ratings check on the day of the investment and a list of potential counterparties prepared and approved by the S151 Officer before 1st April each year and updated throughout the year
- The maximum total investment at any one time that can prudently be committed for more than one year is £10 million.
- The minimum total investment at any one time that can be held in short term (less than 365 days) investments is £10 million.
- The Deputy Chief Executive can seek the approval of the Executive to change the above limits during the year if necessary, provided that it is in the best interests of the Council to do so.

137.9 These policies and limits update those stated in the approved Treasury Management Policy. They are intended primarily to maximise the security and liquidity of Waverley's investments, but they must also enable flexibility in investment options and allow for the practicalities of day-to-day investment dealing. Whilst maximising the interest earned on investments is of secondary importance behind security, it is nevertheless a high priority and the limits set must enable both security and high yield to be achieved.

137.10 The following prudential indicators are required under the Prudential Code for Capital Finance in Local Authorities.

- The upper limit on fixed rate investments for 2011/12, 2012/13 and 2013/14 to be 100% of net outstanding principal sums
- The upper limit on variable rate investments for 2011/12, 2012/13 and 2013/14 to be 40% of net outstanding principal sums
- The maturity structure of borrowing (as % of overall projected fixed rate borrowing) in 2011-12 is:
 - under 12 months - upper limit 100%, lower limit, 0%
 - between 1 and 25 years – upper limit 100%, lower limit 0%
- The upper limit of principal sums invested for periods of more than 365 days is £10 million.

137.11 The Executive

RECOMMENDS that

43. the Annual Investment Strategy, as set out in paragraph 137.8 above, be approved; and

44. the prudential indicators in paragraph 137.10 above, be approved.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

138. REVIEW OF HASLEMERE POLLING PLACES (Agenda Item 16)

138.1 The Chief Executive as Returning Officer keeps the location and suitability of polling places, which can contain up to three polling stations, under regular review. Following the Parliamentary elections in May 2009, there were only two comments on polling stations from voters. One related to parking for disabled voters which will be dealt with by improved signage. There have also been comments on use of schools as polling places, but alternatives have been explored and in some areas there is no reasonable and accessible alternative.

138.2 There have been some issues about congestion at High Lane Community Centre in Haslemere, which is a very good venue, but not suitable for more than one polling station. At the last election it had to be used for two polling districts because of long-running problems finding a suitable place in Haslemere Town Centre. Officers have explored alternatives and would like to use a room at the Georgian Hotel, High Street, Haslemere.

138.3 The Executive

RECOMMENDS that

45. the Georgian Hotel, Haslemere be designated as a polling place for the Central Haslemere Polling District, CE.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

Part II – Matters Reported in Detail for the Information of the Council

There were no matters falling within this category.

Part III – Brief Summaries of Other Matters Dealt With

139. FORWARD PROGRAMME (Agenda Item 6; Appendix A)

RESOLVED that the forward programme of key decisions for Waverley Borough Council be adopted, subject to amending the April dates to March 2011.

140. EQUALITY IMPACT ASSESSMENT OF THE STAR CHAMBER PROPOSALS FOR 2011/12 (Agenda Item 7.6; Appendix B.6)

RESOLVED that the Equality Impact Assessment of the Star Chamber proposals for 2011/12 be noted.

141. PRUDENTIAL CODE FOR CAPITAL FINANCE (Agenda Item 9; Appendix D)

As a result of the amendments made to the budget papers, this item was deferred until the Special Meeting of the Executive on 14 February 2011 to enable it to be updated.

142. TREASURY MANAGEMENT PERFORMANCE 2010/2011 (Agenda Item 11; Appendix F)

RESOLVED that the Quarter 3 Treasury Management Performance for 2010/11 be noted and the approach to managing investment activity be endorsed.

143. FOOD WASTE COLLECTION IN WAVERLEY (Agenda Item 12; Appendix G)

RESOLVED that the team be congratulated on their excellent work so far and the food waste round be extended in the future, as and when resources become available.

144. CITIZENS' ADVICE OFFICES, CRANLEIGH (Agenda Item 13; Appendix H)

RESOLVED that

1. the leasehold interest (without payment) be surrendered to Cranleigh Parish Council in respect of the premises at Village Way, occupied by Waverley Citizens' Advice; and
2. works be undertaken to put the premises in good order prior to the lease being surrendered to the Parish Council.

145. CHARGING FOR DISCRETIONARY PLANNING ADVICE (Agenda Item 14; Appendix I)

RESOLVED that the revisions to the Council's discretionary charging scheme be agreed, as set out in Annexe 1 to the report, for implementation from 1 April 2011.

146. DRAFT CALENDAR OF MEETINGS 2011/2012 (Agenda Item 15; Appendix J)

RESOLVED that the Calendar of Meetings for 2011/12 be approved and the dates for Overview and Scrutiny Committees be added after the next meeting of the Executive (attached as Annexe 2 for information).

147. COMMUNITY SERVICES RESTRUCTURE PROPOSAL (Agenda Item 17; Appendix K)

RESOLVED that the proposed structure for the Community Services team be approved, as set out at Annexe 2 to the report, and authorisation be given to establish the new roles.

The meeting commenced at 6.45 p.m. and concluded at 7.44 p.m.

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Chairman